

California (Mr. POMBO) and the gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. POMBO).

Mr. POMBO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 519, introduced by the gentlewoman from California (Ms. SOLIS), would authorize the Secretary of the Interior to conduct a special resource study of the San Gabriel River Watershed in the State of California.

While I will defer to the minority and the bill's sponsor to explain the merits of the legislation, I would express that we greatly appreciate the efforts of the bill's sponsors and the minority to address some early concerns about this bill. These concerns were addressed during the last Congress, and the bill successfully passed the body as part of a larger package, although it ultimately did not become law. This bill now enjoys the broad support of both the majority and the minority, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mrs. CHRISTENSEN. Mr. Speaker, I yield myself such time as I may consume.

(Mrs. CHRISTENSEN asked and was given permission to revise and extend her remarks.)

Mrs. CHRISTENSEN. Mr. Speaker, H.R. 519, sponsored by the gentlewoman from California (Ms. SOLIS), authorizes the Secretary of the Interior to study the feasibility and suitability of establishing a unit of the National Park System which would include parts of the San Gabriel River, as well as a portion of the San Gabriel Mountains. The study would include parts of Los Angeles County, as well as a part of the City of Los Angeles itself.

During the hearings on this measure held during the previous Congress, the gentlewoman from California (Ms. SOLIS) provided testimony and photographs demonstrating that, although this proposed study area is in the midst of a very urban area, some green space has been preserved and might be appropriate for a park unit.

Clearly, such an urban setting raises conservation and management challenges, and we look forward to the results of this study regarding these issues. I want to take this opportunity to congratulate the gentlewoman from California (Ms. SOLIS) on her legislation and her diligence in moving her bill through the legislative process. She has been extremely patient while working very hard to move the bill forward. I urge Members to approve H.R. 519.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. SOLIS).

Ms. SOLIS. Mr. Speaker, I thank the gentlewoman for working with us. I also thank the ranking member, the gentleman from West Virginia (Mr. RAHALL), and the gentleman from Cali-

fornia (Chairman Pombo) and the gentleman from California (Mr. RADANOVICH). When we were discussing the bill last year, we went through different versions of the bill. We did try to accommodate the concerns of all Members who were involved in this effort.

I truly think this is a hallmark because it is a bipartisan bill that was working its way through last year, but unfortunately met some barriers on the Senate side. I know this is something that many people in urban areas are looking for as a model. We hear from Members on both sides of the aisle talking about providing open space in urban areas.

This will hopefully provide some type of relief for over 2 million people that reside along the San Gabriel River. I grew up there as a child and spent many Saturday afternoons and vacations in this area. Something that we like to talk about is the fact that so many people in that area come from largely low-income, underrepresented areas, and do not have the ability or economic means to go to Sequoia, to go to Yosemite, to even go to the beach. Some people in my district have never had the luxury of going to the beach. Their recreation occurs in their particular geographic area.

The San Gabriel Mountains are only 20 minutes away from a lot of the residents that I represent. The gentleman from California (Mr. DREIER) and I have worked on this issue. Many of his constituents feel very strongly about the need to provide open space for all communities. This is a step in the right direction. The Department of the Interior will conduct a study, and hopefully they will come up with some good planning so we can move forward. I thank all of the Members for working with me.

Mrs. CHRISTENSEN. Mr. Speaker, I yield back the balance of my time.

Mr. POMBO. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. CARTER).

(Mr. CARTER asked and was given permission to speak out of order and to revise and extend his remarks.)

GIVE THE AMERICAN PEOPLE FAIR TAXES

Mr. CARTER. Mr. Speaker, over the course of our Presidents' Day work period, I held nine town hall meetings and listened to over 800 of my constituents express their opinions about issues important to them. Time and again they mentioned fair taxes. The American people want an economy that is sound and that can offer them jobs. We can give the people what they want by passing the President's growth plan.

The double taxation of dividends is not only unfair, it is obscene. Every year, nearly 2 million Texans and 35 million Americans are being cheated by their own government. By simply eliminating the second tax, investments will increase, resulting in 2.1 million jobs being created within the next 3 years and could potentially boost the national wealth by nearly \$1 trillion.

Instead of giving the American people a \$300 payoff, let us give them a real plan, a plan that will result in jobs, a steady economy, and dollars back in the hands of the taxpayers. For those who say we cannot afford the President's growth plan, I say we cannot afford to not pass his plan.

Mr. POMBO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to congratulate my California colleague for all of the hard work the gentlewoman put into this legislation over the past couple of years, thank her again for working with the majority and the minority in order to work this bill out. I think it is a good piece of legislation that deserves the support of the House, and I urge an "aye" vote.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. POMBO) that the House suspend the rules and pass the bill, H.R. 519.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1045

GENERAL LEAVE

Mr. POMBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material in the RECORD on H.R. 417, H.R. 699 and H.R. 519, the three bills just considered.

The SPEAKER pro tempore (Mr. CULBERSON). Is there objection to the request of the gentleman from California?

There was no objection.

ARMED FORCES TAX FAIRNESS ACT OF 2003

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1307) to amend the Internal Revenue Code of 1986 to provide a special rule for members of the uniformed services in determining the exclusion of gain from the sale of a principal residence and to restore the tax exempt status of death gratuity payments to members of the uniformed services, and for other purposes.

The Clerk read as follows:

H.R. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Armed Forces Tax Fairness Act of 2003".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a

section or other provision of the Internal Revenue Code of 1986.

SEC. 2. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

“(10) MEMBERS OF UNIFORMED SERVICES.—

“(A) IN GENERAL.—At the election of an individual with respect to a property, the running of the 5-year period referred to in subsections (a) and (c)(1)(B) and paragraph (7) of this subsection with respect to such property shall be suspended during any period that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services.

“(B) MAXIMUM PERIOD OF SUSPENSION.—Such 5-year period shall not be extended more than 5 years by reason of subparagraph (A).

“(C) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified official extended duty’ means any extended duty while serving at a duty station which is at least 150 miles from such property or while residing under Government orders in Government quarters.

“(ii) UNIFORMED SERVICES.—The term ‘uniformed services’ has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

“(iii) EXTENDED DUTY.—The term ‘extended duty’ means any period of active duty pursuant to a call or order to such duty for a period in excess of 180 days or for an indefinite period.

“(D) SPECIAL RULES RELATING TO ELECTION.—

“(i) ELECTION LIMITED TO 1 PROPERTY AT A TIME.—An election under subparagraph (A) with respect to any property may not be made if such an election is in effect with respect to any other property.

“(ii) REVOCATION OF ELECTION.—An election under subparagraph (A) may be revoked at any time.”.

(b) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendment made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SEC. 3. RESTORATION OF FULL EXCLUSION FROM GROSS INCOME OF DEATH GRATUITY PAYMENT.

(a) IN GENERAL.—Paragraph (3) of section 134(b) (relating to qualified military benefit) is amended by adding at the end the following new subparagraph:

“(C) EXCEPTION FOR DEATH GRATUITY ADJUSTMENTS MADE BY LAW.—Subparagraph (A) shall not apply to any adjustment to the amount of death gratuity payable under chapter 75 of title 10, United States Code, which is pursuant to a provision of law enacted before December 31, 1991.”.

(b) CONFORMING AMENDMENT.—Section 134(b)(3)(A) is amended by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to deaths occurring after September 10, 2001.

SEC. 4. EXCLUSION FOR AMOUNTS RECEIVED UNDER DEPARTMENT OF DEFENSE HOMEOWNERS ASSISTANCE PROGRAM.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to certain fringe benefits) is amended by striking “or” at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting “, or” and by adding at the end the following new paragraph:

“(8) qualified military base realignment and closure fringe.”.

(b) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—Section 132 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.—

“(1) IN GENERAL.—For purposes of this section, the term ‘qualified military base realignment and closure fringe’ means 1 or more payments under the authority of section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) (as in effect on the date of the enactment of this subsection).

“(2) LIMITATION.—With respect to any property, such term shall not include any payment referred to in paragraph (1) to the extent that the sum of all such payments related to such property exceeds the amount described in clause (1) of subsection (c) of such section (as in effect on such date).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 5. EXPANSION OF COMBAT ZONE FILING RULES TO CONTINGENCY OPERATIONS.

(a) IN GENERAL.—Subsection (a) of section 7508 (relating to time for performing certain acts postponed by reason of service in combat zone) is amended—

(1) by inserting “or when deployed outside the United States away from the individual's permanent duty station while participating in an operation designated by the Secretary of Defense as a contingency operation (as defined in section 101(a)(13) of title 10, United States Code) or which became such a contingency operation by operation of law” after “section 112”.

(2) by inserting in the first sentence “or at any time during the period of such contingency operation” after “for purposes of such section”.

(3) by inserting “or operation” after “such an area”, and

(4) by inserting “or operation” after “such area”.

(b) CONFORMING AMENDMENTS.—

(1) Section 7508(d) is amended by inserting “or contingency operation” after “area”.

(2) The heading for section 7508 is amended by inserting “OR CONTINGENCY OPERATION” after “COMBAT ZONE”.

(3) The item relating to section 7508 in the table of sections for chapter 77 is amended by inserting “or contingency operation” after “combat zone”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any period for performing an act which has not expired before the date of the enactment of this Act.

SEC. 6. MODIFICATION OF MEMBERSHIP REQUIREMENT FOR EXEMPTION FROM TAX FOR CERTAIN VETERANS' ORGANIZATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 501(c)(19) (relating to list of exempt organizations) is amended by striking “or widowers” and inserting “, widowers, ancestors, or lineal descendants”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable

years beginning after the date of the enactment of this Act.

SEC. 7. CLARIFICATION OF THE TREATMENT OF CERTAIN DEPENDENT CARE ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Subsection (b) of section 134 (defining qualified military benefit) is amended by adding at the end the following new paragraph:

“(4) CLARIFICATION OF CERTAIN BENEFITS.—For purposes of paragraph (1), such term includes any dependent care assistance program (as in effect on the date of the enactment of this paragraph) for any individual described in paragraph (1)(A).”.

(b) CONFORMING AMENDMENTS.—

(1) Section 134(b)(3)(A) (as amended by section 102) is further amended by inserting “and paragraph (4)” after “subparagraphs (B) and (C)”.

(2) Section 3121(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(3) Section 3306(b)(13) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(4) Section 3401(a)(18) is amended by striking “or 129” and inserting “, 129, or 134(b)(4)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

SEC. 8. CLARIFICATION RELATING TO EXCEPTION FROM ADDITIONAL TAX ON CERTAIN DISTRIBUTIONS FROM QUALIFIED TUITION PROGRAMS, ETC., ON ACCOUNT OF ATTENDANCE AT MILITARY ACADEMY.

(a) IN GENERAL.—Subparagraph (B) of section 530(d)(4) (relating to exceptions from additional tax for distributions not used for educational purposes) is amended by striking “or” at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following new clause:

“(iv) made on account of the attendance of the designated beneficiary at the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, to the extent that the amount of the payment or distribution does not exceed the costs of advanced education (as defined by section 2005(e)(3) of title 10, United States Code, as in effect on the date of the enactment of this section) attributable to such attendance, or”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect for taxable years beginning after December 31, 2002.

SEC. 9. ABOVE-THE-LINE DEDUCTION FOR OVERNIGHT TRAVEL EXPENSES OF NATIONAL GUARD AND RESERVE MEMBERS.

(a) DEDUCTION ALLOWED.—Section 162 (relating to certain trade or business expenses) is amended by redesignating subsection (p) as subsection (q) and inserting after subsection (o) the following new subsection:

“(p) TREATMENT OF EXPENSES OF MEMBERS OF RESERVE COMPONENT OF ARMED FORCES OF THE UNITED STATES.—For purposes of subsection (a)(2), in the case of an individual who performs services as a member of a reserve component of the Armed Forces of the United States at any time during the taxable year, such individual shall be deemed to be away from home in the pursuit of a trade or business for any period during which such individual is away from home in connection with such services.”.

(b) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ELECTS TO ITEMIZE.—Paragraph (2) of section 62(a) (relating to certain trade and business deductions of employees) is

amended by adding at the end the following new subparagraph:

“(E) CERTAIN EXPENSES OF MEMBERS OF RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—The deductions allowed by section 162 which consist of expenses, not in excess of \$1,500, paid or incurred by the taxpayer in connection with the performance of services by such taxpayer as a member of a reserve component of the Armed Forces of the United States for any period during which such individual is more than 100 miles away from home in connection with such services.”.

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2002.

SEC. 10. PROTECTION OF SOCIAL SECURITY.

The amounts transferred to any trust fund under title II of the Social Security Act shall be determined as if this Act (other than this section) had not been enacted.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

This particular provision is called the Armed Forces Tax Fairness Act of 2003, and a couple of examples, I think, will make it quite obvious as to why it is the tax fairness part of the title that we should focus on. As we now know for some years now, you have been able to exclude the capital gain on a home if you lived in that home as your principal residence for 24 months out of a 5-year period. Of course, we all know that the military as to where they live is subject to the exigencies of the world and the need for military personnel to be dispersed sometimes literally around the world. I think it is entirely appropriate to examine this kind of a piece of legislation in the context of where we are vis-a-vis the President's decision to perhaps move militarily against Iraq.

So what this says is that if, in fact, you are not able to meet that 24-months-out-of-5-year period for exclusion from the capital gains, and the reason you are not able to is because you have been transferred away from home on official extended duty during that 5-year period, you would be exempt from that regulation.

There follow a series of other changes in the Tax Code that very much are representative of that kind of approach in treating the military differently because the military does not have the ability at times, the individuals in the military, to control decisions that affect them directly.

That is the purpose of the bill. It is as it was originally introduced. For purposes of determining the above-the-line deduction for overnight travel expenses for military reservists, this bill, as some people know, passed the House twice in the last Congress, and in negotiating with the Senate, the agreement at that time was that the exemption should be up to \$1,500 for reservists who

serve more than 100 miles away from home. That was an agreement that had been negotiated between the House and the Senate, and this particular bill includes that agreement so that we could reach quick settlement in a conference between the House and the Senate.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of this suspension bill and congratulate the chairman of the committee for taking the bulbs and baubles and whistles off the Christmas tree that they stacked on this bill initially. I am disappointed that we were not able to do more for our reservists, but I am pleased that we are doing more than they had originally thought on the other side of the aisle. And I am glad to see that we are bringing a clean bill to the floor and that is not bogged down with fish tackle boxes and foreign bettors on horse races.

I do hope during these very sober hours and days that the majority will think more and more about how we can be of assistance to those brave men and women who have volunteered or who are in the Reserve to see what we can do to not only give them political support, but legislatively to give them real support for the dedication that they continuously show not only in defense of this great country, but now in following the mandates of the President.

I would like to say that during time of war, we have become historically accustomed to the fact that we share sacrifices. Soon our chairman will be presenting to us an obscene tax bill that is anything but sacrifice, but would reward the wealthy. I do hope that as the House has caused the committee's leadership to change its mind and try to do things fairly, that we will see a change in attitude as this country is on the brink of war where shared sacrifice means exactly what the President said it would mean, and that is that we all be prepared to give support.

I support the Armed Forces tax fairness bill. I do hope we will see more bills of this kind in the future.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from North Carolina (Mr. JONES), who has a measure included in this bill, which was a separate bill, which is a significant piece of legislation.

Mr. JONES of North Carolina. Mr. Speaker, as Members know, I represent the Third District of North Carolina, which is the home of Camp Lejeune and Cherry Point and Seymour Johnson Air Force Base. A bill that I introduced, H.R. 693, the Military Death Gratuity Improvement Act, I want to thank the chairman and the ranking member for including that bill, or the language from that bill, into this major bill that I think is of great benefit to our men and women in uniform.

□ 1100

I would like to give very briefly the history of this provision because the death gratuity was reaffirmed as a tax free benefit when the Congress amended the Tax Code in 1986; and about a year ago I happened to be driving back to the Congress, and I was listening to a talk show and they were talking about how the fact that our men and women in uniform who received the death gratuity, should they die while serving this Nation, that the families are taxed; and to the chairman and ranking member, this just really bothered my heart, to be honest about it.

So I called my staff and I asked John Weaver if he would look into this, and I thought there must have been some mistake along the way. And actually there was and when the mistake took place was in 1991 when the Congress actually increased the death gratuity from \$3,000 to \$6,000; and what happened was the Committee on Armed Services did not send the bill to the Committee on Ways and Means, so therefore there was a tax on the second \$3,000. And Mr. Speaker and Members of the Congress, as our wonderful men and women in uniform are ready to go to war and to die for this country, I think this is an excellent bill not just because of this provision but because of the other provisions in this major bill that will help our men and women in uniform. So by the passage of this bill today, we are taking the tax off the death gratuity when the government says to the families of those who have lost loved ones that they are receiving this small amount, but yet important amount, of \$6,000, that they will not get a bill from the IRS at the end of the year.

So with that I want to thank the chairman and ranking member for including the language from H.R. 693, the Military Death Gratuity Improvement Act, in this bill to help our men and women in uniform. This is just a small portion of the bill, but I thank them very much.

Let me say in closing, Mr. Speaker, to the chairman and the ranking member that the men and women in my district, and again it is Camp Lejeune, Cherry Point, Seymour Johnson Air Force base, are very appreciative of how we have worked together to bring this bill forward to help our men and women in uniform. So with that I thank the chairman for yielding me this time and God bless America.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), an outstanding member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

I want to thank the gentleman from California (Mr. THOMAS), our chairman, and the gentleman from New York (Mr. RANGEL), ranking member, for developing a process where we could act quickly on this bill. I think this is the

first of, I am sure, other actions that we will be able to do as a body to show our support for the men and women that are in harm's way that are ready to answer the call of our Nation. I think all of us want to do everything we can here to support our troops, as today they are ready to act on behalf of our Nation.

I also want to thank the chairman and ranking member for including the provision in here that was brought to our attention from those families of students that are in our military academies. I have the honor of representing Annapolis where the Naval Academy is located. There was a provision in our code that discriminated against families of those that were in the academies in their ability to withdraw moneys from educational savings accounts without penalty. So I want to thank them for including that provision. There are many other provisions in there bill that provide equity for those who serve in our military, and I know all of us are going to show strong support for this legislation. I just really want to express my appreciation to the chairman and ranking member.

Mr. THOMAS. Mr. Speaker, I yield as much time as he may consume to the gentleman from New York (Mr. HOUGHTON), a member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, I would like to just make a few comments on H.R. 1307, and of course ask my colleagues to support it.

Last summer I introduced a bill that contained two of the present provisions, very modest. The bill increased the tax-free death benefit from \$3,000 to \$6,000 to members of our Armed Forces. Second, the bill made a change to allow members of the Armed Forces to have the 5-year rule, the so-called 5-year rule, deferred during the period they are assigned away from their principal residence. What this does is to allow individuals to take advantage of the law that excludes gain on the sale of a residence up to \$250,000 or \$500,000 per couple and if they resided in the property for 2 of the 5 years preceding the sale, and that was that. The bill passed the House. Both of these provisions are in and are part of H.R. 1307. The bill also expands the definition of "member" to include ancestors and lineal descendants for purposes of certain requirements of tax-exempt veterans organizations. These are all good changes. I recommend them. I support them.

Mr. RANGEL. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on Armed Services on the Democratic side.

Mr. SKELTON. Mr. Speaker, I appreciate the ranking member recognizing me on this very important bill, the Armed Forces Tax Fairness Act of 2003. So I rise in support of this bill which is much-needed tax relief for our men and women in uniform. And although there was some delay, I am glad that the ma-

jority has agreed to remove the extraneous amendments and bring a clean bill to the floor, and we thank them for that. A bill to provide tax relief for brave men and women is not the appropriate vehicle for extraneous amendments.

I hope that this bill will now be able to move forward expeditiously so that our servicemen and women, particularly those in the Guard and Reserve, will be able to receive meaningful and proper tax relief.

Since the end of the Persian Gulf conflict in 1991, our reliance on the Reserve components has steadily increased. In 1993, for example, Reservists and National Guardsmen provided 5.7 million man-days' worth of support to our military. In the wake of the attacks on September 11, 2001, Reservists provided more than 41 million man-days of support to meet military requirements, primarily because of operations Noble Eagle, which of course is protecting the United States, and Enduring Freedom, which was liberating Afghanistan. The demands on our Reservists to participate in military operational missions have more than doubled in recent years.

The global war on terrorism has also increased burden on the Reserves and National Guard. Following the terrorist attacks on September 11, some 85,500 Reserve and National Guardsmen personnel were mobilized for active duty. Thousands were sent to guard our Nation's airports. This provided security for bridges and power plants and water treatment facilities and other important infrastructures that are vital to the American economy. Today, more than 50,000 Reservists still remain mobilized for the global war on terrorism, and almost 20,000 Reservists, and I will say there again, almost 20,000 Reservists face a second year of involuntary active duty.

The last several months have seen the number of mobilized Reservists soar to over 120,000 to meet potential demands for our conflict in Iraq, and these numbers continue to rise daily. Allowing travel expense deductions for Reservists is the least we can do for these brave men and women.

Last year the House and the Senate passed similar tax measures to support the troops. In the waning days of the Congress, the measure was tied up by extraneous provisions, which ultimately led to its demise before adjournment. On the eve of our Nation going to war, and that is what we are going to do, I urge my colleagues to support this measure so that we can move forward in ultimately adopting a bill that will provide significant tax relief for those who wear the uniform of the United States of America.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I agree with the gentleman from Missouri that the House and the Senate have indeed acted, but not in concert and let the RECORD note that the House acted in July and again in October.

That perhaps was not enough lead time for the Senate; so we are moving in March, and we believe that may be sufficient lead time for the Senate to be able to act.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. FOLEY), a member of the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS) for bringing this very important bill, H.R. 1307, to the floor, the Armed Forces Tax Fairness Act. I am pleased to have played a part in the Committee on Ways and Means and delighted it is here on the floor today.

Our forces will soon be engaging the enemy. We pray for their safety and also for a quick and decisive victory. We have about a quarter of a million of our soldiers, sailors, airmen and Marines poised for combat in the Middle East. In addition, thousands upon thousands of our military personnel are patrolling our skies, protecting key domestic sites, and fighting the war on terror both here at home and abroad. Our military families, active duty, the Reserves, and the National Guard are feeling increased pressure from frequent and longer deployments. This legislation brings tax relief and fairness to those who are protecting our freedoms.

I would like to focus quickly, if I may, on the Reserve component. One of the most important provisions of this bill would provide a \$1,500 above-the-line deduction for their nonreimbursable overnight travel expenses. Let me underscore these travel expenses are not just for casual jaunts. These are for them to do their training required of them by this government so that they will be ready in fact to provide the backup needed for our active duty troops. Many give up time from their families, certainly leaving their loved ones, to be ready to combat the evil that may occur in this country or in fact abroad.

For too long our Reservists have incurred significant out-of-pocket costs associated with traveling to and from their Reserve stations. Our men and women in uniform should not be financially punished for serving their country, and thankfully this legislation fixes that problem. Our men and women in uniform deserve nothing less, and again I reiterate our prayers today go out to all families and particularly those who are in harm's way as they lead freedom in Iraq and certainly lead us away from terror in the United States.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. McNULTY), an outstanding member of the Committee on Ways and Means.

Mr. McNULTY. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), my friend and colleague, for yielding me this time.

As I have said many times on this floor, as I get older, I try to keep my

priorities straight. And part of that is to remember that had it not been for all of the men and women who have worn the uniform of the United States military through the years, people like me would not have the privilege of going around bragging about how we live in the freest and most open democracy on the face of the Earth. Freedom is not free. We have paid a tremendous price for it. And I try not to let a day go by without remembering with deepest gratitude all of those who, like my own brother Bill McNulty, made the supreme sacrifice; and all of those who served and put their lives on the line like the gentleman from New York (Mr. RANGEL), like the gentleman from Texas (Mr. SAM JOHNSON), like other people in this Chamber. Thankfully they came back home and rendered outstanding service in the community and raised beautiful families to carry on in their fine traditions. We all should be deeply grateful for that. And that is why when I get up in the morning, my first two priorities are to thank God for my life, and then veterans for my way of life.

Today more than a quarter of a million brave Americans are overseas poised for military action. Let us remember them in our thoughts and prayers every day. This proposal is a very modest proposal; but it is well earned, it is deserved, and I am deeply grateful to the chairman of the committee and the ranking member for bringing it to the floor. I urge all members to support it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN), a senior member of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

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Mr. LEVIN. This is an important bill. Many of us regret that it could not have been brought to this floor earlier without provisions that were totally unrelated to its basic purpose. It is important because so many of our Reserve and Guard members today are overseas, along with others, and what this bill says very significantly is that all members of our Armed Forces should be treated with equity and treated with the utmost sensitivity and respect.

The bill is important because we bring it up today at a significant moment. What it says, I think, for all of us, is this: Whatever the disagreements, and there have been and remain such as to the policies and approach of this administration, we here stand fully behind those men and women who are fighting in our armed services.

So I hope that today we will join in support of this bill. It now has a single important purpose, and that is to say to our troops, here and abroad, we stand with you.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from New York (Mr. McNULTY) eloquently indicated that freedom is not free, and that his own brother did not return in paying the ultimate price.

Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Texas (Mr. SAM JOHNSON), who served his country admirably, and did return with an amazing story.

Mr. SAM JOHNSON of Texas. Mr. Speaker, this is for our military, and thank goodness we have got it for them all the way through.

Last spring a constituent of mine, Paul Miesse, was researching college savings plans, including the State education plans. His son Kyle, in Junior ROTC, would like to someday apply to the Naval Academy, as well as other schools.

Currently 529 State plans and Coverdell Education Savings Accounts allow people to save for college, and those savings remain untaxed if spent on education costs. It is a responsible thing for parents to save for their children's education, but if the student is smart enough or athletic enough to get a scholarship, then the parents can get their money back from the 529 plan or Coverdell plan penalty free. However, because of an oversight, which is rectified in this bill, military academies do not qualify for that penalty-free rebate of their savings.

I think that when hard-working, patriotic young Americans are rewarded with an appointment to a service academy, we ought not turn around and impose a 10 percent penalty on their parents who diligently saved for their children's education. We should provide the same penalty-free withdrawals for the Zoomie, the Plebe, the Middy or the Cadet as we provide to those who play sports, earn an academic scholarship or pay for school through ROTC.

This change we are making today will ensure that students who attend our U.S. military academies get the same treatment under college savings plans as their peers.

Given that each of us is eligible to make appointments to the United States service academies, I think all of us in Congress have a direct interest in making sure we solve this problem. In fact, there are 50 students in the Third District, my district, at all of the academies at any given time.

I want to thank constituents Paul, Jeanette and Kyle Miesse of Plano, Texas, who brought this issue to my attention. I think our forefathers envisioned that it is people like the Miesses of Texas who really make a difference, and it is our servicemen overseas and in this country who defend this freedom, and that is who we are trying to protect. I urge support of this bill.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I would like to say that we should feel very proud that we are making this minor adjustment to improve the quality of life by reduc-

ing tax liability on men and women in uniform. It is hard for me to believe that as we talk, it is suggested that we are reducing the money for education for those people who are in uniform around the country, those that are dependent on Federal funds to support the localities where the men and women are stationed here in the United States. In addition to that, we are cutting back on aid for our veterans.

I would hope that in the spirit in which we pass this very modest bill, that all of us, Republicans and Democrats, liberals and conservatives, make some spirited effort to not have patriotism just be a flag on the bumper of a car, but to make some special effort to give priorities to those men and women in uniform by making certain that their kids are not denied an opportunity to get an education, and making certain that those who go in and serve, that their benefits are not being reduced.

Having said that, I would like to close on this and indicate that I think it is worthwhile that we get a record vote on this legislation not so much for political reasons, but so that our men and women would know that they would have a unanimous vote by the House of Representatives not only on this bill, but many bills that I hope will come before us where we can differ with the policy, but we will make it unequivocal support for those who volunteer to salute our great flag and our great country.

Mr. Speaker, I yield back the balance of my time.

Mr. THOMAS. Mr. Speaker, I want to join in the statement of the gentleman from New York.

Mr. REYES. Mr. Speaker, I am proud to support the members of our Nation's armed services and vote for the Armed Forces Tax Fairness Act that recognizes their contributions to our Nation and our freedom. The men and women of the Armed Forces, more than any other group, deserve to be first in line when Congress considers tax cuts and special exemptions from tax obligations. At a time when so much is being asked of our service members, it is only appropriate that we make this effort.

The Armed Forces Tax Fairness Act will make tax free the entire \$6,000 death gratuity paid to survivors of service members killed in the line of duty. The bill also makes payments from the Defense Department's Homeowners Assistance Program tax free.

The bill reduces taxes for some service members who sell their home by making changes to capital gains taxes on the sale of residences. The new rules will be helpful to those who have served on multiple deployments and have therefore lived at their residence for less than 2 of the last 5 years.

Recognizing the important role played by members of the National Guard, especially at this time when they are being called upon to serve abroad and here at home in the fight against terror, the Armed Forces Tax Fairness Act allows members of the National Guard to deduct up to \$1,500 in travel, lodging, and meal expenses from their taxable income if they have to travel more than 100 miles to attend National Guard and reserve meetings.